

Docket No.: 335828001US1
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
William D. Quigg

Application No.: 09/849,504

Conf. No.: 8692

Filed: May 4, 2001

Art Unit: 3688

For: SYSTEM AND METHOD FOR
COORDINATING PRODUCTION AND
DISTRIBUTION OF PAPER PRODUCTS
PACKAGED WITH PROMOTIONAL
MATERIALS

Examiner: D. Lastra

REPLY BRIEF

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

APPELLANTS' REPLY BRIEF UNDER 37 C.F.R. § 41.41

Sir:

This reply brief is in response to the Examiner's Answer mailed on November 12, 2009, and is in furtherance of the Notice of Appeal filed on June 3, 2009, and the Appeal Brief filed on August 3, 2009.

I. ARGUMENTS IN REPLY TO EXAMINER'S ANSWER

In the following sections, the Appellant summarizes arguments raised by the Examiner in the Examiner's Answer and addresses these arguments in an order corresponding to the arguments in the Appeal Brief.¹

A. The rejection of claims 11, 34, and 49 under 35 U.S.C. § 101 is improper

In an Amendment filed on July 31, 2009, Appellant amended each of independent claims 11 and 34 to recite that the method is performed by a computer system and that “computer-executable instructions implementing the method are stored in memory of the computer system for execution by a processor of the computer system,” and amended independent claim 49 to recite that “computer-executable instructions implementing the receiving of the order from the purchaser and the receiving of the order from the third-party advertiser are stored in memory of a computing system for execution by a processor of the computing system.” Appellant filed this amendment to present claims 11, 34, and 49 in better form for consideration on appeal since the amendment removes the § 101 rejection for purposes of appeal. As indicated in the Advisory Action mailed August 19, 2009, the Examiner entered Appellant’s amendments. However, on pages 3-4 of the Examiner’s Answer, the Examiner maintained the rejection of claim 11, 34, and 49 under 35 U.S.C. § 101 (Examiner’s Answer, November 12, 2009, pp. 3-4). In particular, the Examiner asserts that “it cannot be determined that the added term ‘wherein computer-executable instructions implementing the method are stored in memory of the computer system for execution by a processor of the computer system’ is related to the steps mentioned in the embodiment of the claims” (*id.*). Appellant disagrees with this assertion. Each of independent claims 11 and 34 clearly recite that all of the steps of the claimed method are performed by a processor of a computer system: “A method in a computer system...the method comprising:...wherein computer-executable instructions implementing the method are stored in memory of the computer system for execution by a processor of the computer

¹ Arguments not specifically address by Appellant herein should not be considered as conceded to or waived by Appellant.

system” (emphasis added). Similarly, independent claim 49 makes clear that the step of “receiving of the order from the purchaser” and the step of “receiving of the order from the third-party advertiser” are performed by a processor of a computer system. For at least this reason, Appellant submits that independent claims 11, 34, and 49 satisfy the machine prong of the machine-or-transformation test recently set forth by the Federal Circuit in *In re Bilski*, 545 F.3d 943, 959-960 (Fed. Cir. 2008). Appellant further submits that these claims satisfy the transformation prong of the machine-or-transformation test in that each claim transforms an enclosure of a paper product to include an advertisement or promotional material.

Accordingly, Appellant submits that these claims are directed to patentable subject matter and requests that the rejection of claims 11, 34, and 49 under 35 U.S.C. § 101 be reversed.

- B. The cited references do not disclose or suggest “wherein the promotional material is specifically targeted to a group of people associated with the paper purchaser, the group comprising those people likely to purchase the goods or services of the third-party advertiser”

All of the pending claims recite that the promotional material on the enclosure of a paper product is targeted to a group of people associated with the paper purchaser that are likely to purchase the goods or services of a third-party advertiser. For example, independent claims 1, 11, 52, 57, and 61 recite “wherein the promotional material is specifically targeted to a group of people associated with the paper purchaser, the group comprising those people likely to purchase the goods or services of the third-party advertiser” (emphasis added)². Appellant submits that the Examiner has not established a

² Similarly, independent claim 18 recites “wherein the advertisement is specifically targeted to a group of people associated with the paper purchaser, the group comprising those people likely to purchase the goods or services of the third-party advertiser” (emphasis added); independent claims 22 and 26 recite “wherein the promotional material is specifically targeted to a group of people associated with the paper product purchaser, the group comprising those people likely to purchase the goods or services of the third-party advertiser” (emphasis added); independent claim 31 recites “wherein the promotional material is specifically targeted to a group of people associated with the purchaser, the group comprising those people likely to purchase the goods or services of the third-party” (emphasis added); and independent claims 34 and 49

prima facie case of obviousness of the pending claims, at least because the Examiner has failed to identify any reference, or any combination of references, that disclose or suggest the above-emphasized claim elements. Appellant further submits that Ryan fails to disclose or suggest that its promotional material is targeted to a group of people associated with a paper purchaser that are likely to purchase the goods or services of a third-party advertiser.

As was made clear in Appellant's Appeal Brief, Ryan describes a production mail system for printing messages, such as advertisements, on envelopes addressed to a single, specific recipient (Ryan 5:10-40). For example, Ryan's mail system may be used to print advertisements on the envelopes of credit card statements for customers of a credit card company (*id.*). During operation, a sender (e.g., credit card company) submits a mailing list to the data processing system for processing (*id.* 11:28-30). The data processing system reviews the mailing list and selects advertisement that are printed on each envelope (*id.* 11:41-67, 12:28-29).³

On pages 13-14 of the Examiner's Answer, the Examiner asserts that Ryan discloses "targeting a group of people" because "Ryan teaches placing promotional material on an enclosure for a paper product wherein the promotional material is targeted based upon demographic and/or geographic location of a target audience" (Examiner's Answer, November 12, 2009, pp. 13-14, *citing* Ryan 10:15-50 and Figure 1, ## 17, 20; emphasis added). Appellant has previously argued that Ryan's individually targeted

recite "wherein the promotional material is specifically targeted to a group of people associated with the purchaser, the group comprising those people likely to purchase the goods or services of the third-party advertiser" (emphasis added).

³ Appellant submits that Ryan's individual targeted advertising is fundamentally different from the group targeted advertising claimed by Appellant. Ryan makes clear that each individual envelope is addressed to a single recipient, and the advertisements placed on each envelope is targeted only to that single recipient (*id.* 5:38-40, 13:32-34). Ryan's selection of a demographic or geographic region, does not define a group, but merely acts as a filter to aid in individual targeted advertising. By contrast, Appellant's enclosures, which enclose a roll of paper or unbound, stacked paper sheets (e.g., reams of paper), include promotional material targeted to a group of people associated with a paper purchaser (e.g., an identifiable audience, such as office employees). For example, with Appellant's invention, paper products wrapped with packaging materials having advertisements for office supplies can be directed to offices (see e.g., Appellant's Published Application No. 2002-0004732 ¶ [0046]).

advertising is fundamentally different from the group targeted advertising claimed by Appellant (Appeal Brief, August 3, 2009, pp. 20-22). Even assuming, however, that Ryan specially targets a particular demographic or geographic region, nowhere does Ryan disclose or suggest that the targeted group is (1) associated with the paper purchaser and (2) that the group comprises people likely to purchase the goods or services of the third-party advertiser, as recited by all of the pending claims. For example, assuming that the zip code 98101 defines a group of people, Ryan fails to disclose or suggest that all people with a 98101 mailing address are "associated with the paper purchaser" and are "likely to purchase the goods or services of the third-party advertiser" as recited.

Appellant further submits that Giacomozzi fails to cure the deficiencies of Ryan. Giacomozzi does not target advertisements at all, but rather assumes that anyone in the general public might view the handkerchief wrappers. For example, Giacomozzi suggests that its handkerchief wrapper "represents a possible publicity vehicle with large diffusion" because the wrapper "is pulled out and shown, by the user, to the public each time a handkerchief is taken" (Giacomozzi p. 1). Appellant submits that it is impossible to target a group of individuals by virtue of the random nature of the use of a wrapped handkerchief.

Accordingly, Appellant submits that independent claims 1, 11, 18, 22, 26, 31, 34, 49, 52, 57, and 61 are patentable over Ryan and Giacomozzi and requests that the rejection of these claims and each of their dependent claims under 35 U.S.C. § 103(a) be reversed.

C. One skilled in the art would not have been motivated to combine Ryan and Giacomozzi, at least because Ryan teaches away from Giacomozzi

On page 16 of the Examiner's Answer, the Examiner continues to assert that both Ryan and Giacomozzi must teach away from their combination for Appellant to argue that one skilled in the art would not have been motivated to combine them (Examiner's Answer, November 12, 2009, p. 16). In particular, the Examiner asserts that "if Giacomozzi would have mentioned anything that disparage[s] targeted advertisement" then Ryan and Giacomozzi would teach away from their combination (*id.*). Appellant disagrees with this

assertion. Appellant is not aware of any authority that requires each reference cited by the Examiner to disparage every other reference cited by the Examiner in order to show a lack of motivation to combine the references. Appellant notes, for example, the following case in which a lack of motivation to combine was found when a reference unilaterally disparaged a solution found in another reference: *In re Grasselli*, 713 F.2d 731, 743 (Fed. Cir. 1983) (The claimed catalyst which contained both iron and an alkali metal was not suggested by the combination of a reference which taught the interchangeability of antimony and alkali metal with the same beneficial result, combined with a reference expressly excluding antimony from, and adding iron to, a catalyst.).

As was made clear in Appellant's Appeal Brief, Ryan disparages non-targeted advertising techniques, such as Giacomozzi's, in which "the third party advertiser does not exercise any control over when the message is dispensed...[or] who receives the message" (Ryan 2:48-50, 65-66).⁴ Thus, even assuming for the sake of argument that the combination of Ryan and Giacomozzi discloses all of the claimed features, one skilled in the art would not have been motivated to combine Ryan with Giacomozzi at least because Ryan teaches away from Giacomozzi.

Moreover, Appellant submits that one skilled in the art would have no reasonable expectation of success combining Ryan and Giacomozzi because a technique for doing so would entail complexities that would require a detailed explanation for one of ordinary skill in the art to implement, which is not present in either Ryan or Giacomozzi. For example, the Examiner states:

[I]t would have been obvious to a person of ordinary skill 'in the art. . .to know that advertisers would place advertisements in the Giacomozzi's wrappers if said advertisers would have had control on the type of advertisements that said advertisers would want to advertise and the type of users that said advertisers would want to target (i.e. geographic location, age, income), as taught by Ryan in view that said advertisers are paying for said placing and therefore, would like to have control of said placing.

⁴ Appeal Brief, August 3, 2009, pp. 23-25.

(Office Action, December 3, 2008, p. 15; emphasis added). The Examiner suggests that one skilled in the art would be motivated to combine Ryan with Giacomozzi because *if the advertisers would have had control* they would have utilized it to place advertising. Giacomozzi's system is directed to displaying promotional messages to the public at large. For example, Giacomozzi states that "[t]he wrapping containing paper handkerchiefs, in fact, is pulled out and shown, by the user, to the public each time a handkerchief is taken from the same, and this represents a possible publicity vehicle with large diffusion" (Giacomozzi p. 1). It is unclear, and neither Ryan nor Giacomozzi suggest, how one skilled in the art would combine Ryan's system with Giacomozzi to predict which user would purchase a particular handkerchief wrapper or to control how that user would publicly display the handkerchief wrapper. Under such circumstances, it is difficult to understand how the advertising on Giacomozzi's wrapper could be targeted. Accordingly, Appellant submits that one skilled in the art would have no reasonable expectation of success combining Giacomozzi with Ryan to achieve the type of control suggested by the Examiner.

Accordingly, Appellant submits that independent claims 1, 11, 18, 22, 26, 31, 34, 49, 52, 57, and 61 are patentable over Ryan and Giacomozzi and requests that the rejection of these claims and each of their dependent claims under 35 U.S.C. § 103(a) be reversed.

- D. One skilled in the art would not have been motivated to combine Ryan, Giacomozzi, and Crossman, at least because Crossman teaches away from Ryan and Giacomozzi

On page 20 of the Examiner's Answer, the Examiner asserts that Crossman does not teach away from Ryan or Giacomozzi (Examiner's Answer, November 12, 2009, p. 20). In particular, the Examiner asserts that "for Crossman to teach away from Ryan, Crossman would have to mention a limitation that coupons cannot be printed on wrappers" (*id.*; emphasis added). Appellant disagrees with this assertion. First, the standard is not whether a reference specifically states that a feature is impossible. Rather, the standard is whether the reference "criticize[s], discredit[s], or otherwise discourage[s] the solution

claimed" (*In re Fulton*, 391 F.3d 1195, 1201, 73 USPQ2d 1141, 1146 (Fed. Cir. 2004)). Second, as was made clear in Appellant's Appeal Brief, Crossman expressly discredits techniques, like Ryan's and Giacomozzi's, which print the promotional message directly onto the packaging, because, according to Crossman, "[c]oupons printed directly onto packaging...are not easily removed and if they are removed, the packaging is damaged" (Crossman 1:10-22).

Thus, Appellant submits that one skilled in the art would not have been motivated to combine Crossman with Ryan and Giacomozzi at least because Crossman teaches away from Ryan and Giacomozzi. Accordingly, Appellant submits that claims 10, 33, 41, 55, and 64 are patentable over the combination of Ryan, Giacomozzi, and Crossman, and requests that the rejection of these claims under 35 U.S.C. § 103(a) be reversed.

E. The Previously-filed Declaration of Commercial Success Evidences Non-Obviousness of the Claimed Invention

On pages 22-25 of the Examiner's Answer, the Examiner asserts that "in order to determine if sales were up or not, the comparison in sales would have to be at least between the same months and weeks from a prior year in order to avoid any distortion due to seasonality" (Examiner's Answer, November 12, 2009, p. 23). Appellant respectfully disagrees with the Examiner's statement of the proper methodology to use to determine whether sales have increased. As originally filed, the Declaration lists the number of cartons of paper sold and shipped each week by the assignee to selected Costco Warehouses between October 31, 2004 and September 25, 2005 (illustrated in Exhibit B of the Declaration). The cartons shipped between July 17, 2005 and September 25, 2005 included ream wraps (illustrated in Exhibit A of the Declaration) that corresponded to the claimed invention. During that 11-week period (the "sample period"), the average number of cartons sold and shipped each week was 3,251, which represents increases ranging between 37%-184% in the average number of cartons sold and shipped each week when compared with *any* prior 11-week period between October 31, 2004 and July 10, 2005 (the "prior periods") as outlined in the following table:

| 11 week timeframe | average # of cartons sold/shipped per week | % increase in sales during the sample period over the prior period |
|-----------------------|--|--|
| 05/01/2005—07/10/2005 | 1833 | 77% |
| 04/24/2005—07/03/2005 | 2044 | 59% |
| 04/17/2005—06/26/2005 | 2378 | 37% |
| 04/10/2005—06/19/2005 | 2302 | 41% |
| 04/03/2005—06/12/2005 | 2356 | 38% |
| 03/27/2005—06/05/2005 | 2265 | 43% |
| 03/20/2005—05/29/2005 | 2316 | 40% |
| 03/13/2005—05/22/2005 | 2160 | 51% |
| 03/06/2005—05/15/2005 | 2062 | 58% |
| 02/27/2005—05/08/2005 | 1956 | 66% |
| 02/20/2005—05/01/2005 | 1931 | 68% |
| 02/13/2005—04/24/2005 | 1985 | 64% |
| 02/06/2005—04/17/2005 | 1887 | 72% |
| 01/30/2005—04/10/2005 | 1884 | 73% |
| 01/23/2005—04/03/2005 | 1865 | 74% |
| 01/16/2005—03/27/2005 | 1964 | 66% |
| 01/09/2005—03/20/2005 | 1811 | 80% |
| 01/02/2005—03/13/2005 | 1589 | 105% |
| 12/26/2004—03/06/2005 | 1524 | 113% |
| 12/19/2004—02/27/2005 | 1527 | 113% |
| 12/12/2004—02/20/2005 | 1422 | 129% |
| 12/05/2004—02/13/2005 | 1295 | 151% |
| 11/28/2004—02/06/2005 | 1240 | 162% |
| 11/21/2004—01/30/2005 | 1356 | 140% |
| 11/14/2004—01/23/2005 | 1225 | 165% |
| 11/07/2004—01/16/2005 | 1298 | 150% |
| 10/31/2004—01/09/2005 | 1145 | 184% |

Although the Declaration as originally filed does not include data covering the period from July 17, 2004—September 25, 2004, Appellant submits that the Declaration still evidences commercial success of the claimed invention because it included (a) information as to the time period during which the claimed invention was sold (Exhibit B lists the number of cartons sold each week after the claimed invention was introduced) and (b) information as to what sales would normally be expected in the market (Exhibit B lists the number of cartons sold each week before the claimed invention was introduced). There is nothing unique about the particular period between July 17 and September 25 that would

require comparison between the exact same period each year in order to measure commercial success, and the lift in sales of between 37%-184% over *any* preceding 11 week period during the previous nine months indicates that the sales lift could only have been a result of the use of the claimed invention. Particularly in a commodity business like paper, Appellant submits that an increase of sales of over 37% in such a short time frame is extraordinary.

The Examiner further asserts that “if [a] 28% increase in sales is sufficient to warrant a finding of commercial success, [it] was not presented as evidence in the Affidavit” (Examiner’s Answer, November 12, 2009, pp. 23-24). Appellant disagrees with this assertion. First, Appellant notes that the 28% increase corresponds to the 12-week time period selected by the Examiner (Office Action, February 28, 2006, p. 12). The 12 week prior period used by the Examiner improperly contains an extra week in the calculation when compared with the 11 week sample period. When accurately calculated by comparing an 11 week prior time period with the 11 week sample period, the actual increase in sales is at least 37%. Second, the sales data speaks for itself and does not require an Affidavit to establish a calculated sales increase. Although Appellant did not originally present a comparison of the average number of cartons sold and shipped during the 12-week period identified by the Examiner (or any other period of time), such increase can be easily determined using the sales data presented in Exhibit B. Thus, Appellant is free to present evidence of an increase in sales for any time period using the data originally presented in Exhibit B.

Appellant submits that any one of the above-listed increases in sales—particularly in the sale of a commodity such as paper products—is sufficient to warrant a finding of commercial success and supports a conclusion of non-obviousness. Accordingly, Appellant submits that the Declaration shows a nexus between commercial success and the claimed invention, and requests that the rejections of claims 1-47 and 49-67 under 35 U.S.C. § 103(a) over the combinations of Ryan, Giacomozzi, Itkonen, Crossman, and Loeb be reversed.

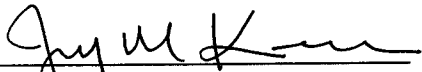
II. CONCLUSION

For at least these reasons, along with the reasons presented in Appellant's Appeal Brief, each of claims 1-47 and 49-67 has been improperly rejected. Accordingly, Appellant seeks the reversal of the rejection of these claims.

The Commissioner is hereby authorized to charge any deficiencies or credit any overpayment associated with this filing to our Deposit Account No. 50-0665, under Order No. 335828001US1 from which the undersigned is authorized to draw.

Dated: January 12, 2010

Respectfully submitted,

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